

REPORT & PLAN

Data Centers and Other Uses

I. BACKGROUND

On Tuesday, May 26, 2026, City Officials were first made aware of a proposed data center development in the City Limits of McMinnville through contact and social media platforms. The proposal, although still in its early stages, raised immediate concerns among City staff and elected officials regarding land use compatibility, infrastructure capacity, utility demands, and the pace of review in relation to existing zoning regulations.

Given the scale and potential impact of large-scale data center facilities, similar high-impact uses, and public input, significant immediate action was necessary to allow adequate time for a thorough review of applicable ordinances, development standards, and community impacts before any permits could be issued or approvals granted.

II. LEGISLATIVE ACTION

In response to the discovery, review of the current zoning code, and public input and concerns, staff drafted an 18-month moratorium ordinance for data centers and similar development. The moratorium is intended to temporarily suspend the acceptance, processing, and approval of any applications related to data center development within designated areas of the City, providing the legislative body with sufficient time to study, evaluate, and, if necessary, amend the City's zoning and land use regulations.

MORATORIUM STATUS

Date	Action	Notes
May 26, 2026	City Notified	Preliminary assessment and discussions.
May 26, 2026	Informal meeting with Alex Hixson	Reviewed information and contacted Mr. Hixson to set up a meeting. Meet at 11:25 am. Discussed the base concepts of the development.
May 28 2026	Proposed a moratorium and created a draft version	Decided it was the best option
May 30 2026	Internal Discussion	Decision to move forward with moratorium. Decision made to have a Special Called meeting to expedite the process.

June 1, 2026	Special Meeting Called	The Mayor and Board Scheduled a Special Called Meeting
June 3, 2026	Special Called Meeting	Public Comment Reading and 1 st vote
June 9, 2026	BOMA meeting	Public Hearing and 2 nd reading

III. PURPOSE AND SCOPE OF THE MORATORIUM

The eighteen (18) month moratorium ordinance is designed to accomplish the following objectives.

- Provide City Staff and the Planning Commission adequate time to review and, if appropriate, update zoning classifications and land use standards as they relate to data center and large-scale technology facility developments.
- Allow for study of infrastructure demands—including electrical grid capacity, water and stormwater systems, and transportation networks—that may be significantly affected by data center operations.
- Enable the City to conduct or commission an independent environmental and community impact analysis of data center facilities within the McMinnville area.
- Ensure public transparency and provide opportunities for community input before any large-scale data center development is permitted within the City’s jurisdiction.
- Protect the City from potential legal and financial liability associated with issuing approvals before the adoption of adequate regulatory standards.

IV. NEXT STEPS

Following the anticipated adoption of the moratorium ordinance at the second reading on June 9, 2026, City Staff will undertake the following actions during the moratorium period.

- I. **Establish a dedicated Project Hub:** All information, dates, draft regulations, findings, and all other pertinent information will be posted here and will be easily accessible to the public.
- II. **Establish an internal city department working group:** Community Development, Public Works, Water and Wastewater, Fire, and Legal.
- III. **Research and Data Gathering**
 - Classification and characteristics of data center types, including hyperscale, colocation, edge, enterprise, and cloud facilities, and the distinct land use and infrastructure demands associated with each.

- Environmental and public health impacts, with particular attention to air quality and pollutant emissions from on-site diesel generators, cooling systems, and backup power equipment.
- Water usage and consumption, including an analysis of water-cooled versus air-cooled systems, evaporative cooling towers, and the volume of water withdrawal and discharge associated with large-scale facilities.
- Battery Energy Storage Systems (BESS), including fire safety risks, hazardous materials handling, ventilation requirements, setback standards, and applicable NFPA and fire code requirements.
- Cooling system technologies, including mechanical cooling, liquid immersion cooling, free-air economization, and hybrid systems, and their respective noise, chemical, and infrastructure implications.
- Energy demand and electrical grid impacts, including load projections, substation requirements, and coordination with TVA and local utility providers regarding capacity.
- Stormwater, wastewater, and discharge impacts from cooling tower blowdown, chemical use, and impervious surface increases.
- Noise impacts from HVAC equipment, cooling units, backup generators, and mechanical systems, including nighttime and cumulative noise levels.
- Review of peer-city and peer-county ordinances, zoning codes, and regulations governing data center development in comparable jurisdictions across Tennessee and nationally.
- Academic studies, industry reports, and regulatory guidance from EPA, OSHA, NFPA, and state agencies relevant to data center siting and operation.
- Crypto mining Facilities, Hyper Scale Warehouse, and Fulfillment Hubs, and other emerging high-impact uses.

IV. Community Engagement and Town Halls

- Schedule and hold a series of public town hall meetings to discuss data centers and similar uses, potential impacts, and concerns.
- Provide accessible public materials—including plain-language summaries, fact sheets, and visual aids—explaining data center types, potential benefits, and potential impacts.
- Solicit written public comment during a designated comment period and compile feedback for Planning Commission review.
- Engage directly with adjacent property owners, neighborhood associations, and other stakeholders who may be particularly affected by data center siting decisions.
- Host a technical briefing session for City Council and Planning Commission members

V. Regulatory Development

- Classification and characteristics of data center types, including hyperscale, colocation, edge, enterprise, and cloud facilities
- Use Classification: Permitted, Conditional Use Permit, Special Review Use
- Possible standalone zone district
- Lot/parcel size
- Placement of buildings, structures, and facilities
- Required submittals
- Reviews
- Approval criteria

- Adequately addressing concerns and factors

VI. Adoption of Regulations

- Presentation to Planning Commission
- Public Hearing Scheduled
- Presented to the Board of Mayor and Aldermen
- Two Readings
- Regulations adopted and in effect